

Message Text

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ACTION EB-06

INFO OCT-01 AF-04 ARA-06 EUR-08 EA-06 NEA-06 ISO-00 AID-05

INT-05 GSA-01 COME-00 TRSE-00 OPIC-03 IO-04 OIC-02

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

PA-01 RSC-01 PRS-01 SP-02 SS-15 SSO-00 NSCE-00 USIE-00

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FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC IMMEDIATE 525

INFO AMEMBASSY ACCRA

USINT ALGIERS

AMEMBASSY ATHENS

AMEMBASSY BAMAKO

AMEMBASSY BELGRADE

AMEMBASSY CANBERRA

AMEMBASSY CONAKRY

AMEMBASSY FREETOWN

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMCONSUL PARAMARIBO

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

AMEMBASSY YAOUNDE

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E.O. 11652: N/A

TAGS: ECIN, GY

SUBJECT: IBA COUNCIL OF MINISTERS MEETING- GEORGETOWN

REF: GEORGETOWN 1962

1. SUMMARY: BURNHAM ADDRESSED OPENING SESSION OF IBA COUNCIL OF
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MINISTERS. INCLUDE SEVERAL JABS AT REYNOLDS, BUT ONLY MILD REBUKE.

CALLED FOR GREATER COOPERATION AMONG IBA MEMBERS TO SHARE RESEARCH EFFORTS, INTER-IBA TRADE INBAUXITE-RELATED MACHINERY, AND MAXIMUM PARTICIPATION/OWNERSHIP OF THE RESOURCE BY HOST COUNTRY NATIONALS OR GOVTS. SPEECH CONTAINED NO RPT NO STARTLING PRONOUNCEMENTS OR CALLS FOR DRASTIC ACTION. RECEPTION WAS RELATIVELY UNENTHUSIASTIC BUT POLITE. END SUMMARY

2. GUYANA'S PRIME MINISTER FORBES BURNHAM ADDRESSED IBA AND DECLARED OPEN MEETING ON 11/4. BURNHAM WAS INTRODUCED BY GUINEA'S MOHAMED TOURE WITH STANDARD THIRD WORLD RHETORIC. BURNHAM SPEECH WAS MODERATE IN BOTH TONE AND SUBSTANCE. AFTER USUAL WELCOMING REMARKS, HE REHASHED PRIOR MEETINGS AND DEVELOPMENT OF THE IBA. HE CALLED FOR QUOTE A PROPER DISTRIBUTION OF THE WORLD'S WEALTH UNQUOTE. NOTED DOMINATION OF WORLD BAUXITE INDUSTRY BY TRANSNATIONALS, DICTATION OF PRICE BY BUYERS OF BAUXITE AND AT SAME TIME DICTATION OF PRICE OF END PRODUCTS BY SELLERS.

3. IN OBVIOUS ALLUSION TO REYNOLDS OPERATIONS IN GUYANA, BURNHAM STATED THAT SOME TRANSNATIONALS QUOTE RAISE THEMSELVES ABOVE THE DOMESTIC LAW AND JURISPRUDENCE OF THE HOST COUNTRY END QUOTE. HE FURTHER IMPLIED DRAMATICALLY THAT REYNOLDS HAS BEEN IN OPERATION IN GUYANA SINCE 1917. (IN FACT THIS IMPLICATION COULD APPLY TO ALCAN WHICH WAS NATIONALIZED BY GOG IN 1971.) IN OTHER REFERENCE TO REYNOLDS, BURNHAM CHARACTERIZED FORMER BOARD CHAIRMAN MCCONNELL AS QUOTE FALSTAFFIAN UNQUOTE AND ASSERTED THAT IT WAS DIFFICULT FOR LATTER TO THINK OF IBA AS ANYTHING OTHER THAN CARTEL.

4. REFERRING DIRECTLY TO JAMAICA'S NEW BAUXITE LEVY, BURNHAM NOTED THAT NO IBA MEMBERS SOUGHT TO UNDERCUT THAT COUNTRY'S ACTION, AND THAT CONSEQUENTLY JAMAICAN BAUXITE REMAINS PRICE COMPETITIVE. THIS HE SAID IS IN KEEPING WITH THE IBA CHARTER. REGARDING BAUXITE PRICE ADJUSTMENT, BURNHAM ACCURATELY STATED THAT DOUBLING OF CURRENT BAUXITE PRICE WOULD RESULT IN ONE-HALF CENT INCREASE PER POUND IN PRICE OF ALUMINUM. (EMBASSY ESTIMATES SUCH INCREASE AT ONE AND ONE-HALF TO THREE AND ONE-HALF CENTS DEPENDING ON GRADE OF ORE. IF BURNHAM IS BASING HIS ESTIMATE ON PRICES FETTERED BY GOG-OWNED GUYANA BAUXITE COMPANY, THAT GIVES LITTLE CREDIT TO COMPANY'S MARKETING CAPABILITY.)

5. BURNHAM'S OTHER SIGNIFICANT POINTS INCLUDED EMPHASIS THAT IBA LIMITED OFFICIAL USE

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IS NOT RPT NOT CARTEL, THAT IT DOES NOT RPT NOT SEEK TO WITHHOLD BAUXITE FROM CONSUMER NATIONS, BUT WANTS ONLY ITS QUOTE FAIR SHARE UNQUOTE. TO THIS END, HE URGED MAXIMIZING DOMESTIC OWNERSHIP, CONTROL, PRODUCTION AND MARKETING. IN ADDITION, HE CALLED FOR MORE THAN MERELY SHARING OF INFORMATION AMONG IBA MEMBERS, BUT ORGANIZED RESEARCH PROGRAMS TO DEVELOP INTEGRATED ALUMINUM INDUSTRIES WITHIN THE IBA MEMBER NATIONS, AS WELL AS INTER-IBA TRADE IN MACHINERY USED INBAUXITE INDUSTRY. HE ALSO SPOKE OF NEED FOR QUOTE UNIT

CURRENCY END QUOTE FOR BAUXITE SALES TO DEFEND AGAINST DEVALUATIONS AND REVALUATIONS. ECHOING JAMAICAN PM MANLEY, BURNHAM SAID IBA MEMBERS SHOULD NOT BE FRIGHTENED BY TALK OF ALTERNATIVE RAW MATERIALS FOR ALUMINUM.

6. COMMENT: BURNHAM'S ADDRESS WAS CAREFULLY WORDED TO APPEAL TO ALL IBA MEMBERS: BAUXITE PRODUCERS, ALUMINA PRODUCERS, AND THOSE WITH INTEGRATED ALUMINUM INDUSTRIES. WHILE SUBSTANCE CONTAINED SENSE OF HUMILITY, SOMETHING USUALLY LACKING IN HIS SPEECHES TO LOCAL AUDIENCES, HIS TONE WAS MORE TYPICALLY BITING. BURNHAM ATTEMPTED STATESMANPOSTURE DROPPING WHAT ARE NOW CLICHES ABOUT THE NEW WORLD ECONOMIC ORDER, THE NEED TO SEIZE THE INITIATIVE NOW OR BE LOST FOREVER IN QUOTE ECONOMIC SERVITUDE UNQUOTE. BURNHAM'S MODERATE APPEAL IS BEST SUMMARIZED IN HIS OWN WORDS. WHILE ADDRESSING THE PROBLEMS OF TRANSNATIONALS HE SAID QUOTE WE MAKE THESE OBSERVATIONS NOT IN BITTERNESS, BECAUSE BITTERNESS TENDS TO AFFECT JUDGMENT...(AND)... OUR JUDGMENT MUST BE CLEAR SO THAT OUR DECISIONS MAY BE WISE UNQUOTE. RECEPTION TO HIS SPEECH WAS POLITE BUT NOT MUCH MORE. DURING EVENING RECEPTION AMBASSADOR FOUND DELEGATES GENERALLY NON-COMMITAL, ALTHOUGH ONE OR TWO COMMENTED WITH APPROVAL ON NON-POLEMIC TONE OF SPEECH. GREEK OBSERVER DELEGATE COMOULOS NOTED INACCURACY OF BURNHAM'S CALCULATION ON RELATION OF BAUXITE PRICE TO ALUMINUM COST AND WAS KNOWLEDGEABLE ON STATUS OF USG INVESTIGATION INTO ALTERNATE RAW MATERIALS.

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